

AGENDA



Thursday, December 18, 2008

**Parks and Recreation
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 39

Subject: Authorize negotiation and execution of a cost reimbursement agreement with the Zachary Scott Theatre Center, in an amount not to exceed \$10,906,000 in bond funds for the construction of a new theater; and approve an ordinance waiving certain requirements of Chapter 14 of the City Code to authorize Zachary Scott Theatre Center to recommend a name of the new theatre building and areas within the building subject to ratification by council.

Amount and Source of Funding: Funding of \$906,000 is available in the 2008-09 Capital Budget of the Parks and Recreation Department. Funding of \$1,000,000 is available in the 2008-09 Capital Budget of the Financial and Administrative Services Department. Funding for future appropriation of \$9,000,000 is contingent upon approval in future budgets and will come from Proposition 4 of the 2006 Bond Program.

Fiscal Note: Fiscal notes are attached.

For More Information: Shelley Kilday, Bond Program Coordinator, 974-7922

On November 7, 2006, Austin voters approved 7 propositions authorizing \$567.4 million of General Obligation Bond-funded capital improvement projects and programs. Among those propositions, Proposition 4 included \$10 million for a new theatre at the Zachary Scott Theatre Center (ZACH), which currently has a public/private partnership with the City to operate the existing City-owned theatre.

This agreement will allow the City to provide funding for design and construction of a new theatre building based upon the following principles:

- 1) The project must follow the City's requirements regarding Leadership in Energy and Environmental Design, green building, and sustainable design.
- 2) Where City funds are involved; ZACH will solicit, manage, and pay for the capital improvements in accordance with state and city purchasing and M/WBE requirements. The City reserves the right to audit compliance with these requirements.
- 3) 10% of ZACH's allocation of 2006 bond funds can be used for feasibility and design. The remaining allocation can be used for construction once all sources of funds to complete construction have been identified by ZACH and verified by the City Manager.

Because ZACH is fundraising for this project, they are requesting that the City waive the applicable requirements of Chapter 14 of the City Code so that they may name the new building, and areas within the building, subject to a list of reasonable requirements and restrictions and ratification by council. The name of the theater center, Zachary Scott Theatre Center will not change.

Founded in 1932, ZACH is Central Texas' oldest professional theatre. ZACH's mission is to engage Central Texas in a dialogue by producing professional theatre of the highest artistic quality, inspired by a unique artistic vision and to offer a diverse theatre experience which is accessible to the community as a whole. In addition, ZACH fosters artistic education, expression, and development in children, teens and adults through a variety of outreach opportunities.

In 1985, Austin voters authorized \$3.75 million for expansion of the Zachary Scott Theatre Center. To date, ZACH has spent approximately \$2.85 million to build the Whisenhunt Arena Building and to complete renovations on the Kleberg and Whisenhunt buildings. The remaining funds from this prior bond issue will be used to complete the new theatre.